

IMF Amendment - Statement

(As Prepared for Delivery)

On April 1 of this year, President Obama announced an agreement with the g20 heads of state to triple the resources of the IMF.

Just last year, the IMF only had one customer – turkey. Yet, the 2009 supplemental tripled the size of the fund with no hearings by the appropriations committee, no opportunity to amend the language, and no clear path for how we expect an enlarged IMF to act.

My amendment today would give the appropriations committee a voice in this process and accomplish 4 things:

First: earlier this year the g-20 countries agreed to increase the ownership of all countries in the IMF—this ownership takes the form of SDRS or "special drawing rights". The g20 agreed to create \$250 billion in new SDRS for all countries including Iran, Syria, Sudan, Zimbabwe, Burma and Venezuela.

All countries have the option to trade in these SDRS for us dollars or other currencies, thereby thwarting us sanctions and providing funding that could be used for terrorist purposes.

The 2009 supplemental included language that approved this increase.

My amendment would direct the secretary of the treasury to use the voice and vote of the United States to oppose the provision of us dollars and other hard currencies by the IMF to countries that support terrorism.

This language would give the U.S. another tool in the global war against terrorism, ensuring it could do something to stop states like Iran or Syria from using their membership in the IMF to fund acts of terrorism or worse.

Second: my amendment would sunset the authority to fund the IMF's new arrangements to borrow (N.A.B.), the emergency line of credit for countries, at the end of fy2014. If the N.A.B. is truly to address an emergency, then giving it five years is enough time for emergency credit. We do not want to create an enlarged IMF that will exist forever. Have we learned nothing from the tarp? Like the tarp money, congress approved language making the N.A.B. a revolving fund for the IMF with no control by the U.S. congress as the funds are paid back.

These funds would be better used to reduce the deficit. Sunsetting this authority after five years is just good government.

Third: my amendment would limit the U.S. contribution to the N.A.B. to 20% of the total funding. The administration has stated that the U.S. share will be 20%, my amendment would hold them to their word and ensure that the Europeans and the rest of the world don't get to ride out the global recession on the backs of the us taxpayer.

This puts pressure on other countries to do their part. I think the U.S. taxpayer has been asked to do enough.

Fourth: and lastly my amendment includes some basic reporting requirements on the use of the IMF funding and the terms and conditions of the loans.

When the republican majority passed the initial appropriations for this lending facility—the N.A.B. in 1998, we enacted a number of conditions. Page after page, the majority worked with the democratic minority to condition the funds.

My amendment doesn't condition the funds, but requires basic reporting requirements. I understand that the majority is willing to accept my amendment. Once again, I thank my subcommittee chairman for her efforts to work with me in a bipartisan manner.